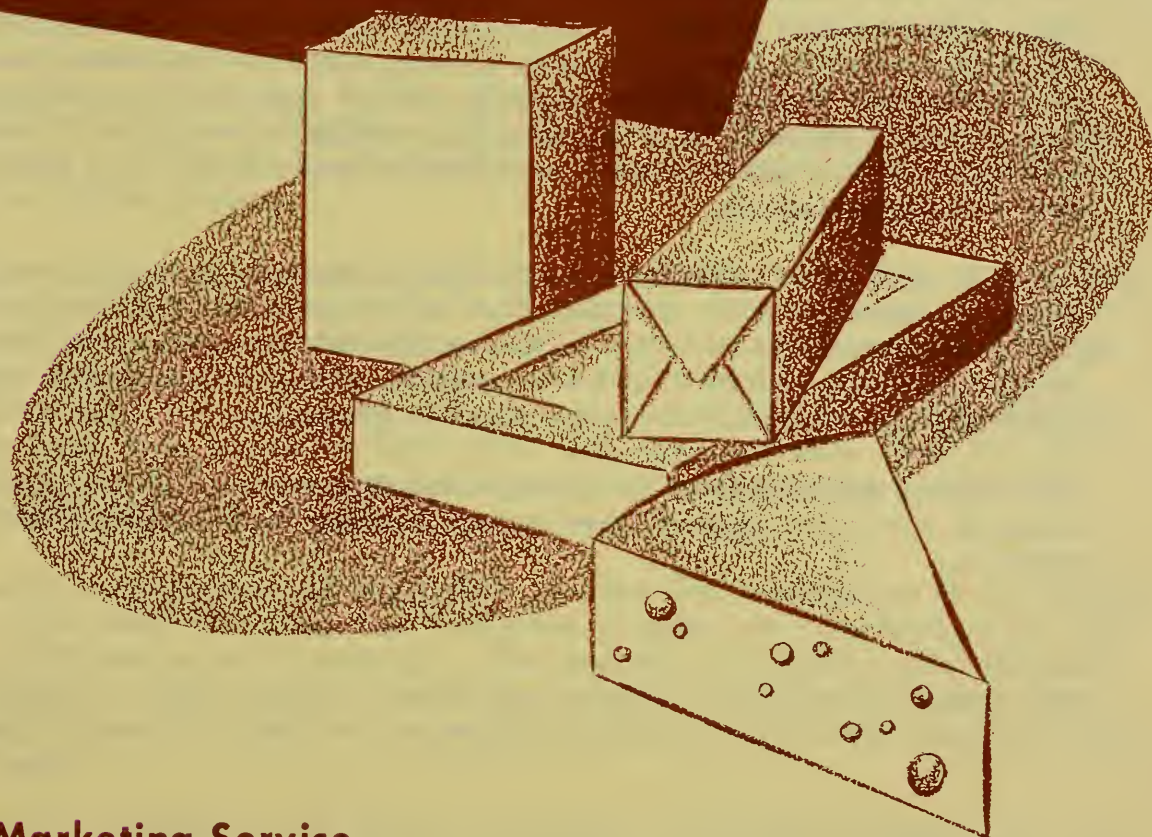
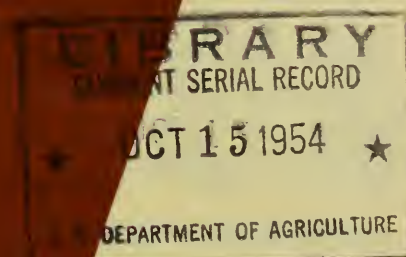


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Household Purchases of Butter, Cheese, Nonfat Dry Milk Solids, and Margarine, June 1954



August 1954
Agricultural Marketing Service
U. S. DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C.

PREFACE

This report is one in a series of monthly reports, first published for April 1954, showing estimates of current household purchases of butter, cheese, nonfat dry milk solids, and margarine. This series, and other reports described below, are based on information obtained in a cooperative project financed by the dairy industry and the U. S. Department of Agriculture. The Department funds are provided under the Agricultural Marketing Act of 1946 (RMA, Title II).

The basic data presented herein were collected and tabulated from the National Consumer Panel of the Market Research Corporation of America under contract with the Department. These data represent expansions to national totals from a representative nationwide sample of approximately 5,800 families. The basic reporting unit in this sample is the weekly diary kept by each member on the panel, reporting, in detail, volumes purchased and related information on food and drug products. The monthly estimates represent purchases during a 4-week period, 28 days, for purposes of month-to-month comparison.

The estimates include only purchases for consumption by household consumers and in no way reflect volume purchased for or through outlets such as hotels, restaurants, hospitals, or other institutions.

Under terms of the contract, this series of monthly reports will be supplemented by quarterly reports showing data on the same items of food for the United States and by regions and by type of retail sales outlet. The quarterly reports will contain information covering a 13-week period, whereas the three individual monthly reports for each quarter cover only a 12-week period.

A report will also be released covering a 6-month period and relating household purchases of the specified dairy products and margarine to family characteristics. The data breakdowns for the report based on family characteristics will be by region, size of community, income, occupation, age of housewife, and size of household.

This report was prepared in the Agricultural Marketing Service, Marketing Research Division, Market Development Branch, Merchandising Methods Section.

HOUSEHOLD PURCHASES OF BUTTER, CHEESE, NONFAT DRY
MILK SOLIDS, AND MARGARINE, JUNE 1954

The data in this report are estimates of total purchases by household consumers only, and do not include consumption in restaurants, hotels, hospitals, or other institutional outlets. Data for a month are for a 4-week period (28 days) in order to permit comparisons of purchase volume between periods of equal length.

SUMMARY

Compared to the late fall and early winter, November 1953-January 1954, butter purchases by householders during April-June 1954 were about 5 percent higher, while margarine purchases were down about 5 percent. Household purchases of the major table spreads--butter and margarine--declined in June 1954 from the levels of the two preceding months. Data on total disappearance of butter and margarine in the postwar period indicate a seasonal decrease in June. Such trade and other fragmentary data as are available indicated that this is a seasonal decline with actual disappearance running above June a year ago. Specific comparisons with past seasons or a year ago would be of assistance in interpreting this decline, but adequate comparisons are not available for household purchases. In fact, one of the reasons for this series of data is to provide information on seasonal patterns of consumption. The seasonal peak in butter and margarine purchases is probably in the winter. This indicates current improvement in the butter market.

Householders bought an estimated 54.5 million pounds of butter during June 1954, down 4 million pounds, or about 7 percent, from reported purchases a month earlier. The reported June level of butter purchases by American households was the same as the average for the November-January months. Householders reported paying an average price of 65.7 cents per pound for butter in June, down slightly from April and May, and more than 10 cents per pound less than the average price reported paid by consumers in the November 1953-January 1954 period.

Total household purchases of margarine in June were estimated at 80 million pounds. This total for June was 7 million pounds, or 8 percent, less than reported purchases a month earlier. The average of prices reported paid for margarine in June was 26.7 cents per pound, fractionally higher than the average prices for the two preceding months and for late last fall and early winter.

Total cheese purchases by household consumers, purchased-weight basis, including natural and processed cheese, cheese foods and spreads, were estimated at 48.4 million pounds in June, compared with an estimated 51.3

million pounds in May. Average prices reported paid by householders for the various natural cheese types were somewhat lower in June than a month earlier, but the reverse was true in the prices reported paid for processed cheese. Cottage cheese purchases in June, not included in the above total, were estimated at 35.6 million pounds, reflecting a slight decrease from May. Prices paid by householders for cottage cheese were practically unchanged in the April-June period.

Purchases of nonfat dry milk solids for household use totaled 9.6 million pounds in June, down from the estimate of 10.9 million pounds reported in May. The average price paid for this product by householders showed a fractional decrease from a month earlier in both May and June.

BUTTER

Although June purchases of butter were below those reported in April and May, they were about the same as the average reported for the months November 1953-January 1954. For the three months April-June 1954, householders bought about 5 percent more butter in a 12-week period than they did in the late fall and early winter months of November through January. Purchases of butter by household consumers in a 4-week period of June 1954 were estimated at 54.5 million pounds, about 4 million pounds, or almost 7 percent, less than for the preceding 4-week period. These estimates do not include purchases in hotels, restaurants, hospitals, or other institutional outlets.

The decline in purchases during June is believed to be a seasonal movement from April and May to June, based on monthly seasonal factors for total creamery butter disappearance in the 1947-53 period. At this time, adequate data are not available as to seasonal patterns for household purchases of butter, which make up just under 60 percent of total disappearance. Comparisons with a year ago on the volume of household purchases are also not available.

Household consumers reported paying an average price of 65.7 cents per pound for butter in June, down slightly from the preceding two months. Compared with prices paid by householders in late fall and early winter, June butter prices were more than 10 cents per pound lower, or about 14 percent. This sharp drop in retail butter prices followed the reduction in price supports on butter and other dairy products, effective April 1, 1954.

A slight decline in the percentage of all families buying butter is shown in the reported June data, but this figure held between 41 and 44 percent in the April-June period. The average size of purchase was steady at about 1.1 pounds per buying family, and the average number of purchases was reported at 2.7 to 2.8 per 28-day period (table 1).

CHEESE

Householders bought an estimated total of 48.4 million pounds of natural and processed cheese, purchased-weight basis, in June 1954, about 3 million pounds less than in the 4-week period of May 1954.

About 70 percent, or 2 million pounds, of the June drop in total cheese purchases was due to reported lower purchases of natural cheese, estimated at 23.2 million pounds during June compared to 25.3 million pounds a month earlier. Natural American cheese purchases, which make up about 60 percent of the natural cheese total, were reported at 13.9 million pounds in June, down about 1.4 million pounds from May. In addition, consumers bought substantially less cream cheese and other natural varieties than they did in a 4-week period of May. However, purchases of Swiss cheese during June were up considerably from the preceding month (table 4).

In June, purchases of processed cheese, including cheese foods and cheese spreads, by households were estimated at 25.2 million pounds compared to 26 million pounds a month earlier. Only cheese foods showed any gain over the previous month, the other two types of processed cheese being down from reported May purchases (table 5).

Average prices reported paid for the natural cheese types were generally lower in June than in May. On the other hand, two of the three processed cheese types were reported at slightly higher prices, and processed cheese food prices were unchanged from a month earlier.

Close to 60 percent of all families reported buying some type of natural or processed cheese in June--about the percentage observed in April and May. The estimated percentage of all families buying each type will be shown for the United States in the forthcoming quarterly report.

Cottage cheese purchases--not included in the above totals--were estimated at 35.6 million pounds in June, down 400 thousand pounds from a month earlier and about 1.8 million pounds below purchases reported in April. Reported size of average purchase at almost 16 ounces and the average price of slightly over 21 cents per 12 ounce unit were steady in the April-June 1954 period (table 6).

NONFAT DRY MILK SOLIDS

Householders purchased an estimated total of 9.6 million pounds of nonfat dry milk solids in June--down considerably from the level of 10.9 million pounds reported in May (table 7).

Prices paid for nonfat dry milk solids declined again fractionally during June. Householders reported paying an average of 37.3 cents per pound, based on all household purchases regardless of size, about one-half cent

less than in May. Prices paid per actual 1-pound unit purchase were reported at 35.4 cents in June, also down from the preceding two months.

The average size of purchase by families buying nonfat dry milk solids was reported at 22.6 ounces in June, up slightly from the average for April and May.

Information as to the percentage of all families buying nonfat dry milk solids will be presented in the quarterly reports only, the first of which is scheduled for release in September. This is done so as to base the estimate on a larger number of families, because the time between purchases for many households is probably longer than a month.

MARGARINE

Household purchases of margarine were reported at 79.9 million pounds during June, down 7 million pounds, or 8 percent, from reported purchases during May. Available data, although not complete, indicate June is usually the low point in margarine purchases for the year. In addition, seasonal factors based on total disappearance of margarine in the postwar period point to larger uses during the fall and winter months than during the spring and summer months.

Compared to the average 4-week period of November 1953-January 1954, margarine purchases in June were down about 10 percent. Average purchases in the April-June 1954 months were reported about 5 percent lower than in the November-January months. Both of these comparisons indicate somewhat smaller declines than would have been expected based on monthly disappearance in the 1947-53 period.

Average prices paid by consumers for margarine in June were reported at 26.7 cents per pound. This marks the second month of a reported fractional increase from a month earlier (table 2). Householders reported paying 26.5 cents per pound for margarine in the late fall and early winter period just past.

As in the two preceding months, families buying margarine in June averaged fewer purchases than did families buying butter, but they bought almost 1.5 pounds per purchase as against the 1.1-pound average for householders buying butter.

About 55 percent of all families bought margarine in June as against 41 percent of all families buying butter. Seventeen percent of all families reported buying both butter and margarine during June. Twenty percent of all families reported buying neither of these products in the June 4-week period.

Preliminary estimates of household consumption of margarine as a percentage of total disappearance of margarine for the April-June 1954 and November 1953-January 1954 months indicate that slightly over 85 percent of the margarine

disappearance was through household channels. Data for the same periods for butter indicate that just under 60 percent of the estimated total civilian disappearance of creamery butter was consumed by householders. The total disappearance figures ^{1/} used to make these estimates were adjusted so as to be comparable in time period with the National Consumer Panel data.

^{1/} Margarine disappearance figures are based on preliminary estimates published, or to be published in the "Fats and Oils Situation" by the U. S. Department of Agriculture. Butter disappearance figures are for creamery butter only and are published in the "Dairy Situation", U. S. Department of Agriculture.

Table 1.--Butter: Household purchases and average price per pound,
U. S., 4-week periods

Year and month	Percentage of all families buying	Per buying family		Quantity purchased		Average price paid per pound
		Purchases	per purchase	Total	Per 1,000 population	
	<u>Percent</u>	<u>Number</u>	<u>Pounds</u>	<u>Million pounds</u>	<u>Pounds</u>	<u>Cents</u>
1954						
April	44.0	2.74	1.09	58.0	367	66.6
May	42.8	2.80	1.10	58.5	371	66.0
June	41.4	2.72	1.09	54.5	345	65.7

Source: National Consumer Panel of Market Research Corporation of America.

Table 2.--Margarine: Household purchases and average price per pound,
U. S., 4-week periods

Year and month	Percentage of all families buying	Per buying family		Quantity purchased		Average price paid per pound
		Purchases	per purchase	Total	Per 1,000 population	
	<u>Percent</u>	<u>Number</u>	<u>Pounds</u>	<u>Million pounds</u>	<u>Pounds</u>	<u>Cents</u>
1954						
April	56.4	2.38	1.45	86.3	546	26.2
May	56.4	2.39	1.44	87.1	551	26.4
June	54.7	2.25	1.45	79.9	506	26.7

Source: National Consumer Panel of Market Research Corporation of America.

Table 3.--Cheese: Household purchases and average price per unit,
U. S., 4-week period, June 1954

Type	Percentage of all families buying any type	Quantity purchased			Average price paid per unit	
		Average per purchase	Total	Per 1,000 population		
	Percent	Ounces	1,000 pounds	Pounds	Unit	Cents
Natural						
American	x	13.4	13,910	88.1	Lb.	62.3
Swiss	x	10.1	3,580	22.7	Lb.	75.4
Cream	x	5.4	2,880	18.2	3 oz.	14.3
Other	x	9.3	2,860	18.1	Lb.	74.4
Processed						
Cheese	x	10.8	10,330	65.4	Lb.	61.2
Cheese food	x	23.2	9,420	59.6	Lb.	45.8
Cheese spread	x	12.0	5,450	34.5	Lb.	54.3
	<u>1/58.4</u>					
Cottage cheese	--	15.9	35,600	225.3	12 oz.	21.0

1/Estimated percentage buying each type will be supplied in quarterly report.

Source: National Consumer Panel of Market Research Corporation of America.

Table 4.--Natural Cheese: Household purchases and average price,
U. S., 4-week periods

Year and month	Purchases				Average price paid			
					Per pound		Per 3 oz.	
	American	Swiss	Cream	Other	American	Swiss	Other	Cream
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Cents	Cents	Cents	Cents
1954								
April	14,910	3,180	3,390	3,320	63.6	78.0	75.5	14.1
May	15,310	2,950	3,460	3,590	63.0	76.8	77.4	14.3
June	13,910	3,580	2,880	2,860	62.3	75.4	74.4	14.3

Source: National Consumer Panel of Market Research Corporation of America.

Table 5.--Processed Cheese: Household purchases and average price,
U. S., 4-week periods

Year and month	Purchases			Average price paid per pound		
	Processed	Cheese	Cheese	Processed	Cheese	Cheese
	cheese	foods	spreads	cheese	foods	spreads
	1,000 pounds	1,000 pounds	1,000 pounds	Cents	Cents	Cents
1954						
April	10,740	9,110	5,670	60.9	47.1	57.9
May	10,670	9,020	6,290	60.6	45.8	52.0
June	10,330	9,420	5,450	61.2	45.8	54.3

Source: National Consumer Panel of Market Research Corporation of America.

Table 6.--Cottage Cheese: Household purchases and average price,
U. S., 4-week periods

Year and month	Purchases	Average price paid	
		Per 12 oz. unit for all purchases	Per actual 12 oz. unit purchases
	1,000 <u>pounds</u>	<u>Cents</u>	<u>Cents</u>
1954			
April	37,370	21.2	22.7
May	36,020	21.2	22.5
June	35,600	21.0	22.7

Source: National Consumer Panel of Market Research Corporation of America.

Table 7.--Nonfat dry milk solids: Household purchases and average
price per pound, U. S., 4-week periods

Year and month	Quantity purchased			Average price paid	
	Average per purchase	Total	Per 1,000 population	Per pound for all purchases	Per actual 1-pound unit purchases
	<u>Ounces</u>	<u>1,000 pounds</u>	<u>Pounds</u>	<u>Cents</u>	<u>Cents</u>
1954					
April	21.1	11,080	70.2	38.1	36.7
May	21.1	10,880	68.9	37.8	36.1
June	22.6	9,560	60.5	37.3	35.4

Source: National Consumer Panel of Market Research Corporation of America.

